

# HOUSE BILL No. 1018

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-17; IC 6-1.1-20.2.

**Synopsis:** Senior citizen property tax freeze. Freezes the property tax liability on the homestead of an individual at least 65 years of age whose annual adjusted gross income does not exceed \$30,000. Shifts to property other than homesteads the amount by which taxes are reduced for seniors.

**Effective:** Upon passage.

**Fry**

January 8, 2008, read first time and referred to Committee on Ways and Means.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## HOUSE BILL No. 1018

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-17-1, AS AMENDED BY P.L.154-2006,  
2       SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the  
4       county auditor shall send a certified statement, under the seal of the  
5       board of county commissioners, to the fiscal officer of each political  
6       subdivision of the county and the department of local government  
7       finance. The statement shall contain:

8           (1) information concerning the assessed valuation in the political  
9           subdivision for the next calendar year;

10          (2) an estimate of the taxes to be distributed to the political  
11          subdivision during the last six (6) months of the current calendar  
12          year;

13          (3) the current assessed valuation as shown on the abstract of  
14          charges;

15          (4) the average growth in assessed valuation in the political  
16          subdivision over the preceding three (3) budget years, excluding  
17          years in which a general reassessment occurs, determined



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according to procedures established by the department of local government finance;

(5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; ~~and~~

**(6) the total of all property taxes first due and payable to the political subdivision in the current calendar year described in IC 6-1.1-20.2-5;**

**(7) the total assessed valuation for all homesteads in the political subdivision for which property tax liability is determined under IC 6-1.1-20.2; and**

~~(6)~~ (8) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the

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1 assessor.

2 (f) Subsection (d) does not apply to an adjustment of assessed  
3 valuation under IC 36-7-15.1-26.9(d).

4 (g) The county auditor is not required to hold a public hearing under  
5 subsection (e) if:

- 6 (1) the amendment under subsection (d) is proposed to correct a  
7 mathematical error made in the determination of the amount of  
8 assessed valuation included in the earlier certified statement;  
9 (2) the amendment under subsection (d) is proposed to add to the  
10 amount of assessed valuation included in the earlier certified  
11 statement assessed valuation of omitted property discovered after  
12 the county auditor sent the earlier certified statement; or  
13 (3) the county auditor determines that the amendment under  
14 subsection (d) will not result in an increase in the tax rate or tax  
15 rates of the political subdivision.

16 SECTION 2. IC 6-1.1-17-3, AS AMENDED BY P.L.219-2007,  
17 SECTION 49, AND AS AMENDED BY P.L.224-2007, SECTION 5,  
18 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
19 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The proper officers of a  
20 political subdivision shall formulate its estimated budget and its  
21 proposed tax rate and tax levy on the form prescribed by the  
22 department of local government finance and approved by the state  
23 board of accounts. **The formulation of the tax rate is subject to**  
24 **IC 6-1.1-20.2-9.** The political subdivision shall give notice by  
25 publication to taxpayers of:

- 26 (1) the estimated budget;  
27 (2) the estimated maximum permissible levy;  
28 (3) the current and proposed tax levies of each fund; and  
29 (4) the amounts of excessive levy appeals to be requested.

30 In the notice, the political subdivision shall also state the time and  
31 place at which a public hearing will be held on these items. The notice  
32 shall be published twice in accordance with IC 5-3-1 with the first  
33 publication at least ten (10) days before the date fixed for the public  
34 hearing. Beginning in 2009, the duties required by this subsection must  
35 be completed before August 10 of the calendar year. A political  
36 subdivision shall provide the estimated budget and levy information  
37 required for the notice under subsection (b) to the county auditor on the  
38 schedule determined by the department of local government finance.

39 (b) Beginning in 2009, before August 10 of a calendar year, the  
40 county auditor shall mail to the last known address of each person  
41 liable for any property taxes, as shown on the tax duplicate, or to the  
42 last known address of the most recent owner shown in the transfer

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book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under ~~IC 6-1.1-15-1(b)~~; IC 6-1.1-15-1(c);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

(i) the county board of tax adjustment (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*); or

(ii) the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by:

(i) the county board of tax adjustment (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*); or

(ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

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(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing; statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 3. IC 6-1.1-17-6, AS AMENDED BY P.L.224-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) shall review the budget, tax rate, and tax levy of each political subdivision filed with the county auditor under section 5 or 5.6 of this chapter. **The formulation of the tax rate is subject to IC 6-1.1-20.2-9.** The board shall revise or reduce, but not

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increase, any budget, tax rate, or tax levy in order:

(1) to limit the tax rate to the maximum amount permitted under IC 6-1.1-18; and

(2) to limit the budget to the amount of revenue to be available in the ensuing budget year for the political subdivision.

(b) The county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) shall make a revision or reduction in a political subdivision's budget only with respect to the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(c) When the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) makes a revision or reduction in a budget, tax rate, or tax levy, it shall file with the county auditor a written order which indicates the action taken. If the board reduces the budget, it shall also indicate the reason for the reduction in the order. The chairman of the county board shall sign the order.

SECTION 4. IC 6-1.1-17-16, AS AMENDED BY P.L.1-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter. **The formulation of the tax rate is subject to IC 6-1.1-20.2-9.**

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local

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government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 20-45, IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has two (2) weeks from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;

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(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;

(3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department:

(A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or

(B) fails to act on the appeal before the department certifies its action under subsection (f);

a taxpayer who signed the statement filed to initiate the appeal.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in

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1 determining the levy; and  
 2 (3) published by the political subdivision according to a notice  
 3 provided by the department.

4 (j) The department of local government finance shall annually  
 5 review the budget by fund of each school corporation not later than  
 6 April 1. The department of local government finance shall give the  
 7 school corporation written notification specifying any revision,  
 8 reduction, or increase the department proposes in the school  
 9 corporation's budget by fund. A public hearing is not required in  
 10 connection with this review of the budget.

11 (k) The department of local government finance may hold a hearing  
 12 under subsection (c) only if the notice required in section 12 of this  
 13 chapter is published at least ten (10) days before the date of the  
 14 hearing.

15 SECTION 5. IC 6-1.1-20.2 IS ADDED TO THE INDIANA CODE  
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]:

18 **Chapter 20.2. Property Tax Freeze on Senior Homesteads**

19 **Sec. 1. "Base year" for an individual means the calendar year**  
 20 **that is the later of:**

- 21 (1) 2008 if the individual attains the age of sixty-five (65) in or  
 22 before 2008; or  
 23 (2) the calendar year after 2008 in which the individual  
 24 attains the age of sixty-five (65).

25 **Sec. 2. As used in this chapter, "homestead" has the meaning set**  
 26 **forth in IC 6-1.1-20.9-1.**

27 **Sec. 3. As used in this chapter, "property tax liability" means**  
 28 **liability for the tax imposed on property under this article**  
 29 **determined after application of all credits and deductions under**  
 30 **this article, but does not include any interest or penalty imposed**  
 31 **under this article.**

32 **Sec. 4. (a) Subject to subsection (b), as used in this chapter,**  
 33 **"qualified individual" means an individual:**

- 34 (1) who is liable for property taxes on a homestead for taxes  
 35 first due and payable in a calendar year after the individual's  
 36 base year;  
 37 (2) who pays in full the property tax liability on the homestead  
 38 for taxes first due and payable in:  
 39 (A) the base year; and  
 40 (B) each year, if any, after the base year and before the  
 41 calendar year referred to in subdivision (1); and  
 42 (3) whose adjusted gross income (as defined in Section 62 of

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the Internal Revenue Code) for the calendar year immediately preceding the year in which the determination of property tax liability under this chapter is claimed under section 6 of this chapter did not exceed thirty thousand dollars (\$30,000).

(b) An individual who shares ownership of a homestead is a qualified individual under this section only if the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(1) the individual and the individual's spouse; or

(2) the individual and all other individuals with whom:

(A) the individual shares ownership; or

(B) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the determination of property tax liability under this section is claimed did not exceed thirty thousand dollars (\$30,000).

Sec. 5. (a) A qualified individual who on March 1 of a particular calendar year after 2007 either:

(1) owns a homestead; or

(2) is buying a homestead under a contract that provides the qualified individual is to pay the property taxes on the homestead;

is entitled for property taxes first due and payable in the immediately succeeding calendar year to a determination of property tax liability under this chapter. Notwithstanding any other law, the property tax liability determined under this chapter for a homestead for property taxes first due and payable in a calendar year is the only property tax liability to which the homestead is subject for that year.

(b) Except as provided in subsection (c), (d), (e), or (f), the property tax liability of a qualified individual for taxes first due and payable in a calendar year with respect to a homestead is the lesser of the following:

(1) The amount of property tax liability of the qualified individual that is attributable to the homestead for property taxes first due and payable in the base year.

(2) The lowest property tax liability of the qualified individual that is attributable to the homestead for property taxes first due and payable in a calendar year that is:

(A) after the base year; and

(B) before the calendar year for which the qualified

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1 individual's property tax liability is determined under this  
2 subsection.

3 (c) If a physical change to the homestead results in an increased  
4 assessment of the homestead for property taxes first due and  
5 payable after the base year, the property tax liability of a qualified  
6 individual for property taxes first due and payable in a calendar  
7 year with respect to the homestead is the sum of:

8 (1) the amount of the qualified individual's property tax  
9 liability for property taxes first due and payable in the base  
10 year that is attributable to the homestead; plus

11 (2) the amount of the qualified individual's property tax  
12 liability that is directly attributable to the physical change for  
13 property taxes first due and payable in the first calendar year  
14 for which the new assessment results in increased property  
15 tax liability with respect to the homestead.

16 (d) If a physical change to the homestead results in a decreased  
17 assessment of the homestead for property taxes first due and  
18 payable after the base year, the property tax liability of a qualified  
19 individual for property taxes first due and payable in a calendar  
20 year with respect to the homestead is the remainder of:

21 (1) the amount of the qualified individual's property tax  
22 liability for property taxes first due and payable in the base  
23 year that is attributable to the homestead; minus

24 (2) the amount of the decrease in the qualified individual's  
25 property tax liability that is directly attributable to the  
26 physical change for property taxes first due and payable in  
27 the first calendar year for which the new assessment results  
28 in decreased property tax liability with respect to the  
29 homestead.

30 (e) The property tax liability with respect to a homestead for  
31 taxes first due and payable in 2009 of a qualified individual who  
32 attains the age of sixty-five (65) before 2008 and claims a  
33 determination of tax liability under section 6 of this chapter is the  
34 least of the following:

35 (1) The individual's property tax liability for property taxes  
36 first due and payable in 2006 that is attributable to the  
37 homestead.

38 (2) The individual's property tax liability for property taxes  
39 first due and payable in 2007 that is attributable to the  
40 homestead.

41 (3) The individual's property tax liability for property taxes  
42 first due and payable in 2008 that is attributable to the

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homestead.

This subsection applies only if the qualified individual pays in full the individual's property tax liability on the homestead in 2006, 2007, and 2008 to the extent that the individual is liable for the tax.

(f) For purposes of a qualified individual's claim of a determination of tax liability under section 6 of this chapter for taxes first due and payable on a homestead after 2009, the amount of the qualified individual's property tax liability determined under subsection (e) is considered for purposes of subsection (b) to be the individual's property tax liability for property taxes first due and payable in the base year that is attributable to the homestead.

(g) The property tax liability for a homestead determined under this section for property taxes first due and payable in a calendar year is considered for all purposes to be property taxes imposed by the state or a political subdivision in which the homestead is located. The amount of that property tax liability attributable to the state or a political subdivision is the amount that bears the same proportion to that property tax liability that the property tax rate of the state or political subdivision bears to the property tax rate for the taxing district in which the homestead is located.

Sec. 6. (a) An individual who desires to have the individual's property tax liability determined under this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before June 11 of the year that immediately precedes each year for which the individual wishes to have the individual's property tax liability determined under this chapter. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to have the individual's property tax liability determined under this chapter. The statement may be filed in person or by mail. If mailed, the statement must be postmarked on or before the last day for filing. A statement must be filed for the first year and separately for each succeeding year for which the individual claims a determination of the individual's property tax liability under this chapter.

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(b) The statement referred to in subsection (a) must:

(1) be verified under penalties for perjury; and

(2) contain the following information:

(A) The full name and complete residence address of the person.

(B) Evidence that the individual is a qualified individual.

(C) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in the property.

(D) Any other information that the department of local government finance requires to be included in the statement.

Sec. 7. If a qualified individual whose property tax liability is determined under this chapter changes the use of the qualified individual's property so that part or all of that property no longer qualifies for the determination of property tax liability under this chapter, the qualified individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use not later than sixty (60) days after the date of that change.

Sec. 8. A taxpayer other than a qualified individual is entitled to the determination of property tax liability under this chapter if:

(1) an individual uses the homestead as the individual's principal place of residence;

(2) the individual has a beneficial interest in the taxpayer; and

(3) the taxpayer either owns the homestead or is buying the homestead under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the homestead.

Sec. 9. The property tax rate of a political subdivision in which one (1) or more homesteads for which property tax liability is determined under this chapter are located is determined for property taxes first due and payable in a calendar year in the amount calculated to result in a levy in the amount of the remainder of:

(1) the levy of the political subdivision for that year determined without regard to this chapter; minus

(2) the sum of:

(A) the total for all homesteads in the political subdivision for which property taxes are determined under this chapter of the amounts of property tax liability for that year determined under section 5 of this chapter; plus

(B) the total for all homesteads in the political subdivision,

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other than the homesteads referred to in clause (A), of the property tax liability determined without regard to this chapter.

**Sec. 10. The following apply for property taxes first due and payable in each calendar year:**

(1) The property tax liability for each homestead in a political subdivision in which one (1) or more homesteads for which property tax liability is determined under this chapter are located, other than the homesteads for which property taxes are determined under this chapter, is the property tax liability determined without regard to this chapter.

(2) For a political subdivision in which one (1) or more homesteads for which property tax liability is determined under this chapter are located, the total assessed valuation for all homesteads is excluded from the assessed valuation that:

(A) would be determined without regard to this section; and

(B) is used to set the tax rate for the political subdivision.

**SECTION 6. [EFFECTIVE UPON PASSAGE] (a) The following, all as amended by this act, apply only to property taxes first due and payable after December 31, 2008:**

(1) IC 6-1.1-17-1.

(2) IC 6-1.1-17-3.

(3) IC 6-1.1-17-6.

(4) IC 6-1.1-17-16.

(b) IC 6-1.1-20.2, as added by this act, applies only to property taxes first due and payable after December 31, 2008.

**SECTION 7. An emergency is declared for this act.**

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